

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Scheherazade, Inc,

Debtor.

Chapter 7
Bankruptcy 19-40658

NOTICE OF SETTLEMENT

TO: THE UNITED STATES TRUSTEE, ALL CREDITORS, AND OTHER PARTIES IN INTEREST:

On September 4, 2019, or as soon thereafter as the transaction may be completed, the trustee of the estate will settle a controversy as follows:

BHM Capital LLC ("BHM") filed a proof of claim in the amount of \$289,031.84, reflecting its secured claim and prepetition interest. After the filing, the trustee paid the claim in full from the proceeds of the inventory sales. After receiving payment of the principal and interest, BHM amended its proof of claim asserting that it was owed \$53,230.32. *See* Claim No. 61-2 filed July 15, 2019. The claim attaches a document that sets forth \$11,360.26 of post-petition interest at a default rate of 20 percent and attorneys' fees and costs of \$41,870.06. The attorneys' fees and costs have increased since the filing of the amended proof of claim to \$42,968.21. The trustee asked for and received the time records of three law firms: Messerli & Kramer, Sapientia Law Group and Avisen Legal, P.A.

After reviewing the time records of the three law firms, the trustee informally objected to the BHM claim. To settle the dispute between the trustee and BHM, the trustee shall pay the post-petition interest due of \$11,360.26 and shall pay \$25,000.00 as for the attorneys' fees. The \$36,360.26 payment shall be in complete settlement of Claim No. 61-2, which is a \$17,968,21 reduction of BHM's claim. Upon payment of the sum of \$36,360.26, Claim No. 61-2 and any and all obligations under the loan documents of BHM with the debtor shall be fully satisfied. Thereafter, BHM shall no longer have any recourse against the estate for anything. The trustee believes this settlement is in the best interest of the bankruptcy estate as the cost to litigate the objection to the claim issue would incur substantial chapter 7 administrative expenses and would diminish the distribution to unsecured creditors.

OBJECTION: MOTION: HEARING

Under applicable rules, any objection must be in writing, be delivered to the trustee and the United States Trustee, and be filed with the clerk, not later than 12:00 noon on the day before the above date. If an objection is timely delivered and filed, the court will hold an expedited hearing on the objection with reduced notice of the hearing. The hearing will be scheduled by the trustee with notice by the trustee to the objecting party and the United States Trustee. If an objection is

made or an order is required, the undersigned trustee moves the Court for such orders as may be necessary and appropriate.

United States Bankruptcy Court
300 South Fourth Street
301 U.S. Courthouse
Minneapolis, MN 55415

United States Trustee
1015 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

Nauni Manty, Trustee
401 2nd Ave N, Ste 400
Minneapolis, MN 55401

Dated: August 8, 2019

By: /e/ Nauni Manty, Trustee
Nauni Manty, Trustee